1   RECORD OF ORAL HEARING

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3   UNITED STATES PATENT AND TRADEMARK OFFICE

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6   BEFORE THE BOARD OF PATENT APPEALS

7   AND INTERFERENCES

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10   Ex parte MAGNUS NILSSON

11   _____

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13   Appeal 2007-2376

14   Application 09/780,504

15   Technology Center 3600

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18   Oral Hearing Held: November 15, 2007

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22 Before HUBERT C. LORIN, ANTON W. FETTING, and DAVID B.

23 WALKER, Administrative Patent Judges

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26 ON BEHALF OF THE APPELLANT:

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28

29   JAMES A. LABARRE, ATTORNEY

30   Buchanan, Ingersoll & Rooney, L.L.P.

31   1737 King Street, Suite 500

32   Alexandria, VA 22313 -1404

33

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35 The above-entitled matter came on for hearing on Thursday, November 15,

36 2007, at the U.S. Patent and Trademark Office, 600 Dulany Street,

37 Alexandria, Virginia, Dominico Quattrociocchi, Free State Reporting, Inc.

1   P R O C E E D I N G S

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3   JUDGE WALKER: Hello, this is Judge Walker in Hearing Room B.

4We are ready for Calendar Number 40. Thank you.

5   MS. BEAN: Calendar Number 40, Mr. LaBarre.

6   JUDGE LORIN: It's Mr. LaBarre?

7   MR. LABARRE: LaBarre, yes.

8   JUDGE LORIN: Labarre, I'm sorry.

9   MR. LABARRE: With me today is Magnus Nilsson. He is the

10inventor and the CEO of the assignee of the application.

11   JUDGE LORIN: Okay, very good. Welcome.

12   MR. NILSSON: Thank you.

13   JUDGE LORIN: Okay, Counsel, we're familiar with the case. You'll

14have 20 minutes. When you're ready, you may proceed.

15   MR. LABARRE: Okay. Well this appeal presents a, a single issue

16for consideration by the Board, and that is the rejection of all claims under

1735 U.S.C 102 as being anticipated by the Boublik, et al. reference. The

18standard for a rejection based on anticipation is very specific as enunciated

19by the CAFC. They have said that under 35 U.S.C. Section 102, every

20limitation of a claim must identically appear in a single prior art reference

21for it to anticipate the claim. We submit to you that the final Office Action

22does not establish that the Boublik reference meets this standard. So, just --

23even though you're familiar with the case, may I give a quick background of

24the invention or would you rather I skip ahead?

25   JUDGE LORIN: Well, if you'd like to get to the issue if the summary

26of invention is important to get clarification of the issue, you may do that.

1 MR. LABARRE: Okay, I think basically, just the important thing to

2keep in mind is that the invention that we're talking about here is an

3automated book-keeping system that's integrated with a banking application.

4And the claim recites, and I'll just quickly go through. Claim 1 recites the

5steps that providing the server with a banking service application and an

6account service application. And that server is accessible to a client through

7a wide area network. And then there's a book-keeping data base associated

8with the account service application. The server receives data that

9represents instructions for a transaction, and that data is used by the banking

10service application to conduct the transaction. So what we're talking about

11is a banking application; so making an online payment, for example. And

12then the last step is using at least part of that data in the accounting

13information -- in the account service application for updating a book-

14keeping data base. So what the invention is directed to is integrating both

15the banking services and the automated book-keeping services.

16 The Boublik patent relates to automating tasks that are associated with

17business transactions. And I think it's important to keep in mind that a

18business transaction generally consists of three discreet steps; there's an

19order that's placed, there's an invoice that's issued relating to the ordered

20item and then there's a payment for the ordered item based on the invoice.

21What the invention deals with -- the claimed invention really deals with that

22third step; the payment. So the transaction that's conducted with the bank

23and the automated book-keeping that accompanies that transaction. The

24Boublik patent on the other -- or the Boublik referenc, I'm sorry -- on the

25other hand is directed to the first step of the business transaction, and that is

26the ordering of the device or some product or service. And more particularly

1what Boublik is directed to is capturing data relating to that ordering

2process, and then sending it on to other applications for various uses. One of

3which they mention is accounting. But I think it's important to keep in mind

4that the Boublik patent is really directed to an entirely different aspect of a

5business transaction then is the, the claimed invention, which is directed to

6the banking aspect which is associated with the payment or the last step of

7the business transaction. So the standard that, that or the main issue that

8needs to be addressed is the standard for anticipation, and really the focus

9should be, does Boublik disclose a banking service application that meets

10the limitations of the claims that are before you?

11   Now as a preliminary point in the answer the Examiner asserted that

12the Appellant has not provided any definition of a banking service

13application. And that simply is not correct. I would refer you to, for

14example, Page 2 of the specification at Lines 8 through 11. And they there

15the specifications states that banking service application should in this

16context, in other words in the context of this patent application, be

17understood to be any kind of application for managing and controlling bank

18services, such as payments, withdraws, money transfers. So banking service

19application is associated with those kinds of transactions that you normally

20think of conducting when you go to the local Wachovia or Suntrust; a bank.

21And then the next, the next sentence on Page 2 states transactions should in

22the context of this application be understood to be events relating to the

23client bank account. So I think the application is pretty clear on what is

24meant by both a banking service application and a transaction that's

25associated with a banking service application. And in citing forth the

26rejection, the Examiner appears to want to give a very broad definition into

1banking service application. But even given the definition, the dictionary

2definition that appears in the answer, the rejection is still not supported by

3the disclosure of the reference.

4   There are basically three points of, of distinction that I'd like to

5present for your consideration. The first one is looking at the statement of

6rejection; the Office Action asserts that the Boublik reference discloses a

7banking service application with reference to Paragraph 52 of the Boublik

8publication. And that particular paragraph states that according to specific

9embodiments of the present invention to capture online buying transactions,

10client monitor logic monitors all browser traffic for transaction data when

11shopping cart type data, e.g. price, quantity, etcetera or other data relating to

12a buying transaction or particular URL is detected. And then it goes on to

13explain how it interacts with the, the user. So what this paragraph really is

14describing is a monitoring -- or monitoring logic that is sitting on the client's

15computer and is looking for certain web pages and when it sees those web

16pages, it forwards them on to another entity. It's referred to sometimes as a

17parcer. So there's nothing in Paragraph 52 that relates to banking. It only

18talks about buying transactions and the collection of data relating to those or

19more specifically the identification and forwarding of web pages relating to

20buying transaction. So there's nothing in, in this particular paragraph that

21was identified in the Office Action that relates to a banking type of function.

22Now at, at Page 6 of the answer it states that this monitoring logic that is

23described in Boublik reference is analogous to a banking service application.

24The Examiner says, because it a least exchanges money and facilitates the

25transmission of funds, but there's no support for that allegation in the

26reference. There's nothing in the reference that even talks about payments

1or exchange of money in connection with that data collecting application

2that's described in Paragraph 52. The Examiner doesn't site any support for

3that particular statement. He just makes the broad allegation. Now he does

4refer to Figure 9 of the reference, which shows a very general network

5layout. One of the entities is in that layout is referred to as a banking

6partner, but the, the reference doesn't describe that. In fact, there's only one

7sentence in the whole reference that pertains to Figure 9 and that is at on

8Page 2 near the top of the, of the right hand column, it says Figure 9

9illustrates an alternative example of high level architecture according to an

10embodiment of the invention. It doesn't describe what's going on in that

11figure or any of the elements of that figure. In particular, it doesn't describe

12what the role of the banking partner's entity is there. And specifically, does

13not relate it back to the monitoring logic that was identified in the rejection

14as corresponding to a banking service application. So there's no support in

15the reference or none cited in the statement of rejection that correlates the

16function of that monitoring logic with any sort of transaction associated with

17banking. The sole purpose of that module is to collect web pages and

18forward them on for further use by other applications.

19   The second point is that the claims recite that the banking service

20application is on a server. Now the monitoring logic that was referred to in

21Paragraph 52 sits on the client's machine because it's monitoring those

22pages that the client, that the user, that the purchaser are looking at to make a

23purchase to interact with the provider. There's no disclosure and no -- in the

24Office Action or rejection doesn't even address the fact that the banking

25service application is on a server and as recited in the claims, it's affiliated

26with an accounting service application. So what the reference refers or what

1the rejection refers to as being a banking service application has no

2association with the server; not sitting on the server, it's not performing the

3functions that are recited in the claim.

4   And then as a third point, it's very interesting to note that in citing

5forth the rejection in connection with each of the elements recited in the

6claim, the, the Office Action refers to a certain paragraph or certain element

7in the Boublik reference until you come to the statement in the claim that

8says, using said data in the banking service application for conducting the

9transaction. So to back up a little bit, what the claim recites -- I'm referring

10to Claim 1 now, that's providing a server with a banking service application

11and an account service application, and then receiving at that server data

12representing instructions for a transaction. And then the element of interest

13is using said data in the banking service application for conducting the

14transaction. When you look at the statement of rejection after each element

15of the claim, there is a reference to a paragraph in the Boublik patent for a

16particular element in the Boublik patent until you get to this particular step,

17and there -- I'm referring now to the answer at the bottom of Page 3 -- it

18repeats this limitation. It says using data in the banking service application

19for conducting the transaction and then there's no reference; no support cited

20whatsoever for that particular limitation. And the reason for that is because

21Boublik can't support that. Boublik does not disclose that this monitoring

22logic performs any type of transaction, and that's not its function. Its

23function is to monitor data that's being examined by the user, and then to

24pass that along. There's no performance of a transaction. So I think that

25absence of any citation to the reference is very telling in terms of the lack of

26support for this particular brand of rejection. There's just no way that you

1can take that monitoring logic that is referred to and try to wedge that into a

2banking service application that performs the functions that are recited in the

3claim. It's really a totally different beast performing a different function at a

4different part of the business transaction as a whole.

5   So now it's -- you can argue that somewhere in the context of the

6Boublik patent there must be some sort of banking that goes on because it

7does refer to the banking partners, but that's not enough to meet the

8recitations of the claim. The claims specifically recite an accounting service

9application, i.e. a book-keeping application that's integrated with a banking

10service application so that when you perform a banking transaction, that

11information that is relevant to the book-keeping function is also taken care

12of by the account service application, which is a very beneficial feature

13because then you got your accounting records, your book-keeping records

14synchronized with your banking transactions. So when you go to your

15online bank, for example, and say make a payment to vender ABC, that

16information automatically goes into the accounting to the book-keeping

17system as well. So your book-keeping records are now synchronized with

18your transaction that you conducted. You don't have to go back in and make

19manual entries. You don't have to do a reconciliation at the end of the

20month. It's already in there. Nothing of that nature is taking place within

21the context of Boublik reference because it is directed to gathering data and

22then forwarding it on, and the data that it's gathering is relating to the

23purchase as opposed to any type of a banking transaction.

24   JUDGE LORIN: Okay, may I ask a couple of questions?

25   MR. LABARRE: Please.

26   JUDGE LORIN: First, let me see if I understand your points. You

1make three points distinguishing the claim from the prior art; Boublik, which

2are that Boublik doesn't show a banking application. The second one is that

3the bank applications are not on a server. And number three, that it doesn't

4show user data in the banking service application to conduct a transaction.

5   MR. LABARRE: Those are the three main points, yes.

6   JUDGE LORIN: Then I understand it.

7   JUDGE WALKER: Can you address the ithology where you said

8there was not a citation, but the next part of the claim the Examiner cited to

9Paragraph 58 in Claim 2. Can you take a look at Claim 2 of Boublik and

10address the issue there, because it does talk about capturing orders and

11translating for input into a financial application. I'm just curious how you

12would distinguish that.

13   MR. LABARRE: Okay, first I'd like to clarify my interpretation

14where the Examiner refers to Paragraph 58 and then it says Claim 2. I think

15that transition there is that Claim 2 is the beginning of the rejection of Claim

162. In other words, he's referring now to language that's in Claim 2. So the

17reference to Paragraph 58, I think --

18   JUDGE WALKER: Okay --

19   MR. LABARRE: -- it relates --

20   JUDGE WALKER: -- I see what you're saying.

21   MR. LABARRE: -- to the rejection in Claim 1 and then he's --

22because at that point he's reciting the very last element of Claim 1.

23   JUDGE WALKER: A fair statement, but it still attracted my attention

24to Claim 2 and I --

25   MR. LABARRE: Okay.

26   JUDGE WALKER: -- would like you to answer and I apologize for

1reading that incorrectly. The question stands.

2   MR. LABARRE: So your reference -- you were asking me to look at

3Claim 2 of the Boublik --

4   JUDGE WALKER: Yes.

5   MR. LABARRE: -- reference? Okay. So it's -- right, so what Claim

62 of Boublik is saying is that you're capturing ordered data. So again, we

7talking about is the, the ordering part of the business transaction. And then

8downloading that data into a financial application, which is a buyer selected

9financial application. And the examples that they give at Paragraph 60 is the

10desired financial applications are primarily accounting type applications.

11They give Quick Books, Peach Tree, Great Plains. So what Claim 2 says is

12that you're capturing buying data and then formatting it or sending it over to

13an accounting application when you read it in light of the spec.

14   JUDGE WALKER: And are you suggesting that that's somehow

15different then what, what you're claiming to do with respect to account

16service application?

17   MR. LABARRE: What I'm saying is that in the context of the claim,

18that the banking service application is performing a transaction on the data.

19So it would be a banking type of, of transaction consistent with the

20definition that I read earlier. And then the last phrase or the last element of

21Claim 1 is using at least part of that data as accounting information in the

22account service application. So the Boublik reference does show the idea of

23taking data that has been captured and importing into an accounting

24application. I agree with that. The, the distinction lies prior to that, is what

25kind of data are we talking about. And in the application we're talking about

26banking application or banking data that goes to a banking service

1application. So, for example, payments or account balances, account

2transfers; those kinds of things as opposed to buying data which is what the

3Boublik reference is directed to.

4   JUDGE WALKER: That's, that's the distinction I'm trying to find in

5the claim, because what I read in the claim is data representing instructions

6for at least one transaction and you pointed us in the spec on Page 2 to a

7definition of transaction that says events related to client's bank account. So

8--

9   MR. LABARRE: Right.

10   JUDGE WALKER: -- how is that --

11   MR. LABARRE: I think --

12   JUDGE WALKER: -- consistent with what you just told us data

13means.

14   MR. LABARRE: -- that -- well when you look at it in the next -- in

15conjunction with the next step which says using said data in the banking

16service application. So necessarily for a banking service application to use

17data, it must be data that relates to a banking type of transaction.

18   JUDGE WALKER: Well, your, your definition in the spec

19says that it's related to the client's bank accounts. So I would argue that a

20banking service application would use any kind of data related to a banking

21account, including a change of address; anything of that nature. So it seems

22like your definition is broader. Then, then is doesn't have to be a banking

23transaction. It just has to be related to the banking account including a debit

24to that banking account. So if I'm buying something and transferring money

25from my bank account, account directly to pay for it. I would read that as

26being a transaction under your, under the definition of the spec. Would you

1disagree with that?

2 MR. LABARRE: So if the -- let me make sure I understood the 3question again. If the, the data relates -- the buying data includes transfer of 4money to pay for that -- if the data included that, yes, but I don't believe that 5that's what encompassed in the Boublik reference. They're, they're talking 6about ordering data. In other words, I want to buy this book from 7Amazon.com. So they are talking about capturing the payment information. 8In fact, the word payment never appears anywhere in the Boublik reference 9or transfer of funds. It's talking about the procurement of services or goods.

10 JUDGE WALKER: Okay. Thank you.

11 JUDGE LORIN: I, I have a follow-up question. I'm reading a claim. 12I also have a little difficulty to the breadth of this claim. You're not saying 13that banking service applications are not well known?

14 MR. LABARRE: Oh, not at all, no.

15 JUDGE LORIN: I mean that's pretty well known. It's just that that's 16not what Boublik shows, is what you're saying.

17 MR. LABARRE: Or even --

18 JUDGE LORIN: It may -- you're taking other types of data but not 19data that relates to banking service applications.

20 MR. LABARRE: That's correct. They're capturing purchasing data.

21 JUDGE LORIN: Purchasing data. It's just a different type of 22information. The rest of the claim, as far as I can see, is taking data from a 23banking service application and then updating the book-keeping. If I read 24this claim right, I envision an application here on the computer. I put my 25name and my address and some banking information. Press submit and it 26gets sent, and say my address is different then what's in the book-keeping,

1that address in the book-keeping is then updated by the new address that I've

2just, that I've inputted in the application. Is that a fair reading of what I'm,

3what I'm seeing in the claim?

4   MR. LABARRE: The only problem I have with that is that we refer

5to it as a banking service. Usually, I don't think of changing address as a

6banking service. I mean, as we defined in the, in the application, a banking

7service is things like payments, transfer of money, the things you think you

8go to the bank -- if you'd normally think of when you go to the bank, the

9kinds of transactions you conduct there.

10   JUDGE LORIN: My, my, my question is similar to Judge Walker's.

11The, the, the definition given in your application in your specification is it

12relates to banking, but the actual application itself, the data that comes off

13the application, it, itself does not have to be only dealing with money.

14   JUDGE WALKER: And it says any kind of application for managing

15with a colon, bank services such as payments. So it's any kind of

16application for managing those things, but it doesn't restrict the data that

17would be used by such an application to specific payment.

18   MR. LABARRE: I, I see.

19   JUDGE WALKER: It doesn't have to be a payment amount. It

20doesn't have to be a withdraw amount because arguably a lot of people get

21their statements online, but banks still send out, send out paper statements.

22So that would be part of managing that account. It's keeping you up to date

23sending you a monthly statement so the address could be arguable. I read

24that based on your definition. The application handles those functions, but

25anything, anything related to managing, that seems like a very broad

26statement, would be address information and perhaps a transaction history;

1all of those things would part of managing and controlling services. It may

2be authentication. It could be all those things.

3   MR. LABARRE: I, I agree with you. The, the, the independent

4claims do not specify what the specific -- what the actual data is. It depends

5--

6   JUDGE LORIN: Because, because we understand your point that

7Boublik doesn't show a banking service application, but that in and of itself

8is well known.

9   MR. LABARRE: Right. Well, the, the, the idea behind the invention

10is to integrate or coordinate the banking service application and the

11accounting application. So we're not trying to say that the bank service

12application, per say, is known, nor is an accounting application, per say, I

13mean, novel. It's the integration of those two; bringing them together in the

14server so that when information is sent to a banking service application, that

15information can also be put into the book-keeping ledger as part of the same

16transaction, rather than requiring a separate book-keeping transaction later

17on to enter it into the records. So it's not --

18   JUDGE FETTING: It sounds like you're trying to cover online

19banking, per say.

20   MR. LABARRE: Not online banking, per say, but the --

21   JUDGE FETTING: Well online banking certainly does spit out

22accounting transactions; book-keeping transactions as a result. As I

23download every month into my Quicken, I, I see that.

24   MR. LABARRE: But does -- was that done back in 2000 when the

25application was filed? I think that's what we have to do is --

26   JUDGE FETTING: Check free -- I think that we can check that.

1   MR. LABARRE: Because I think that's one -- admittedly what, what

2you're saying today seems like it's standard, although I'm not sure still that

3there are --

4   JUDGE FETTING: But it does sound as though your claim is meant

5to cover online banking, per say.

6   MR. LABARRE: Definitely not, no. Not, not just online banking,

7but it's the combination of online banking plus the account application --

8   JUDGE FETTING: Well any online banking that, that provides

9transactions, even if it's just in the form of, of a report, but that's certainly in

10accounting.

11   MR. LABARRE: Well this is, this is talking about updating a book-

12keeping data base.

13   JUDGE FETTING: Well what -- there's nothing that says a

14book0keeping data base can't be maintained by the bank.

15   MR. LABARRE: True, but I don't think that's done these days.

16   JUDGE FETTING: You don't think that what?

17   MR. LABARRE: I don't think the banks are keeping book-keeping

18ledgers for individual companies. I may be wrong, but --

19   JUDGE FETTING: I mean, it's called a bank statement, right, at the

20end of the month. That's a book-keeping record.

21   MR. LABARRE: It's a record, but then if you get your bank

22statement at the end of the month --

23   JUDGE FETTING: Yes.

24   MR. LABARRE: -- then you have to turn it over to your book-keeper

25to enter into the ledger and that's the part that's automated --

26   JUDGE FETTING: I'm not sure that the bank statement is not a part

1of the accounting records. In fact, I would submit it is very much a part of

2your accounting records.

3   MR. LABARRE: It's part of your accounting records, right, but how

4does the information go from the bank statement. If you get a paper bank

5statement in the mail, how does that information get into your accounting

6records -- into your accounting system? Let me put it that way. That's what

7the invention is directed to is automatically -- in fact, you don't even have to

8wait for the bank statement. As soon as you make the online payment or

9transfer money from account A to account B, the fact that you have the

10accounting service application sitting there with the banking application, it

11takes that information and puts into your book-keeping ledger.

12   JUDGE FETTING: So it's just automating that which was done

13manually before? Didn't Leap Frog say that was obvious?

14   MR. LABARRE: Leap Frog said if it had been done mechanically

15before and if it was just routine skill in the art to do it now electronically,

16that would be obvious.

17   JUDGE FETTING: It's certainly routine in the art to enter something

18in the book-keeping area.

19   MR. LABARRE: But you don't have this combination of the two in

20an automated system before, before it was all manual book-keeping. You

21had to have the big ledgers that your book-keeper would sit there when the

22bank statement came in, he or she would enter check number one went to

23this vendor, check number two went to that vendor. Now what you've got is

24an automated system that's doing that.

25   JUDGE FETTING: And you're saying that Leap Frog doesn't say it's

26obvious to automate a manual practice?

1   MR. LABARRE: Well as a general principle, but I don't think it's, it

2said that across the board; that any automation is automatically obvious.

3   JUDGE FETTING: Well automation is something which of that

4which was done manually before.

5   MR. LABARRE: Right, but it still goes to how it was done. In other

6words, in Leap Frog, I think it was some levers were flipped mechanically or

7something was done or manually, I mean. And with the, the advance of

8technology it now became possible to do that with an electronic switch

9rather than a manual switch. That, Leap Frog said was obvious in light of

10the technology advance, but going ahead and tying these two together now

11in a single system, I'm not sure that you could automatically make that jump

12that, oh yeah, anybody would have thought of that, because I don't believe

13there are programs out there, other than the one that's being sold by our

14client perhaps one or two others that have come out since the application

15was filed, that actually do that function.

16   JUDGE FETTING: What is the product that is sold by your client?

17   MR. LABARRE: What's the name of the product?

18   MR. NILSSON: Translated into English it's Web Based Internet

19Accounting Connected to Internet Bank. So what it does actually is --

20   JUDGE FETTING: Does it have a trade name? Does it have a

21trademark name?

22   MR. NILSSON: Well in Sweden, yeah. Evafuri (Phonetic sp.) is the

23Swedish name and it does take -- you saying about downloading from the

24bank putting into, for example, Quicken. It takes that a step further where

25you don't have to download and transfer to local package since this one is

26residing in the central server. It's, it's automatic. It's a step beyond the

1 example of downloading then putting it into Quick Books or Quicken

2 Books.

3   JUDGE FETTING: I have no further questions.

4   JUDGE WALKER: Well, thank you, Counsel. We'll take your

5 comments under advisement.

6   MR. LABARRE: Thank you.

7   (Whereupon, the proceedings concluded.)